

Media Statement

17 February 2021

RGE Responds to OCCRP Report: ‘Indonesian Paper and Palm Oil Tycoon Secretly Bought Historic Munich Building for 350 Million Euros’

In response to the OCCRP report published on 8th February 2021 regarding the acquisition of the “Ludwig” building located at Ludwigstrasse 21 in Munich, Germany, RGE Pte. Ltd confirms that the companies managed by RGE have no connection with this transaction.

This media statement clarifies the relevant details of the acquisition, and addresses several misleading or erroneous allegations in the OCCRP report.

Facts: Buyer, Source of Funds, Acquisition Structure, Full Taxes Paid

Pacific Eagle, a Singapore-based investment family office of the Tanoto family, acquired the “Ludwig” building complex at Ludwigstrasse 21 in September 2019. The office invests in a diversified portfolio of global assets with funds from the family’s ownership of a range of businesses including Singapore-based RGE.

We were fully transparent about our identity during the acquisition. Pacific Eagle acquired Ludwig after being invited to take part in a competitive process run by the seller and its broker, and undertaking full due diligence as required of an international institutional investor. The acquisition was an asset deal using a Luxembourg company, a common practice for such acquisitions to ensure an efficient transaction. In compliance with Luxembourg regulations, Pacific Eagle declared UBO (‘ultimate beneficial owner’) of the Luxembourg company.

KanAm Grund Group acted as the investment and asset manager for the acquisition which was professionally completed in full compliance of the law. The deal was brokered by a global commercial real estate services company, with legal support by one of the world's pre-eminent law firms.

Pacific Eagle paid all the taxes associated with the transaction, including the German Real Estate Transfer Tax (Grunderwerbssteuer). No taxes related to this transaction is due in any other jurisdictions.

Sustainability Track Record

The OCCRP report quotes a 2013 Greenpeace report describing RGE’s Chairman. This claim, made 8 years ago, is dated, inaccurate and was aimed at Indonesia’s palm oil industry. RGE’s concessions in Indonesia for its industrial tree plantations account for 0.008% of the country’s total forests area.

RGE companies have been pioneers of many sustainability commitments in the region for well over one decade. We were the first to adopt the High Conservation Value Framework since 2005, the first to do independently verified Sustainability Reporting following Global Reporting Initiative standards since 2004, and the first to have a global certification for sustainable forest management under the Programme for Endorsement of Forest Certification (PEFC) in Indonesia. We are also early adopters of ESG (Environmental, Social and Corporate Governance) reporting as part of our RGE Sustainability Framework released in 2015.

Beyond stopping deforestation, RGE companies have actively championed the protection of biodiversity and high conservation value forest. For instance, APRIL (one of the world's largest producers of pulp and paper), has a unique 1 for 1 commitment which is to conserve a hectare for every hectare of plantation as part of its sustainability policy. This conservation effort has resulted in 380,000 hectares (2.5 times the size of London) of natural forest under active management and protection. This conservation effort is unparalleled by any other industry players. RGE companies continue to build on their sustainability commitments by announcing their 2030 vision. These forward-looking commitments are underpinned by specific, science-based or measurable targets which aim for a positive impact on climate, nature and people.

About Pacific Eagle

Pacific Eagle is a family office that invests in a diversified portfolio of global assets and its funds come from the family's ownership of a range of businesses, including Singapore-based RGE which manages an international group of resource-based manufacturing companies in pulp & paper, dissolving pulp, viscose, palm oil and energy operating in Indonesia, China, Brazil and Canada.

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